



Global Communications

www.j2global.com

Investor Presentation

(Based upon First Quarter 2007 results)

May 7, 2007

Safe Harbor for Forward-Looking Statements

Certain statements in this presentation constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, particularly those contained in the slide entitled “Financial Guidance.” These forward-looking statements are based on management’s current expectations or beliefs as of May 7, 2007 and are subject to numerous assumptions, risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Readers should carefully review the risk factors described in this presentation. Such statements address the following subjects:

- Future operating results
- Subscriber growth and retention
- Results of eFax price change
- New products, services and features
- Corporate spending
- Liquidity
- Network capacity and coverage
- Regulatory developments
- Taxes














All information in this presentation speaks as of May 7, 2007 and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information.

Risk Factors

The following factors, among others, could cause our business, prospects, financial condition, operating results and cash flows to be materially adversely affected:

- Inability to sustain growth in our customer base, revenue or profitability
- Competition in price, quality, features and geographic coverage; worse than expected results of eFax price change
- Higher than expected tax rates or exposure to additional tax liability
- Inability to obtain telephone numbers in sufficient quantities on acceptable terms in desired locations
- Enactment of burdensome telecommunications or Internet regulations including increased taxes or fees
- Reduced use of fax services due to increased use of email or widespread adoption of digital signatures
- Inadequate intellectual property protection or violations of third party intellectual property rights
- System failures or breach of system or network security and resulting harm to our reputation
- Inability to adapt to technological change, or third party development of new technologies superior to ours
- Economic downturns in industries which rely heavily on fax transmissions
- Loss of services of executive officers and other key employees
- Inability to maintain existing or enter into new supplier and marketing relationships on acceptable terms
- Other factors set forth in our Annual Report on Form 10-K filed on 03/12/07 and the other reports filed by us from time to time with the Securities and Exchange Commission

Messaging as a Service

 IP Fax	 Voice	 Unified Communications	 Email
  	 	 	 

All brand names and logos are trademarks of j2 Global Communications, Inc. or its affiliates in the U.S. and/or internationally.

Core j2 Global Assets

11.3 million Subscribed Telephone Numbers (DIDs)

Global Advanced Messaging Network

- ◆ >2,800 cities in 40 countries on 5 continents
- ◆ 16.9MM + unique DIDs worldwide in inventory

Patented Technology

- ◆ A portfolio of 50 issued patents, and numerous pending U.S. and foreign patent applications
- ◆ Licensing programs designed to monetize the portfolio

Expertise

- ◆ Effective customer acquisition strategies and Web marketing
- ◆ Breadth, depth and management of a complex network & architecture

Strong Financial Position

- ◆ 11 consecutive years of Revenue growth
- ◆ 5 consecutive years of positive and growing Operating Earnings
- ◆ \$210.3MM of cash & investments to fund growth (as of 03/31/07)
- ◆ Repurchased 400,000 shares of common stock in Q1 for \$10.2 million
- ◆ Nominal amount of debt

Subscriber Acquisition

Individuals

- ◆ Targeted marketing (search, online media and radio)
- ◆ Sold primarily through: www.eFax.com, www.j2.com, www.onebox.com and www.evoice.com
- ◆ Use of proprietary Life Cycle Management
- ◆ Advertising & Calling-Party-Pays revenue supports the Free base

Small to Mid-Sized Businesses (SMBs)

- ◆ Sold through: www.eFaxCorporate.com, supported by Telesales
- ◆ Self-service Web-based broadcast fax engine at www.jblast.com
- ◆ Outsourced email, spam & virus protection and archiving
- ◆ Use of proprietary Life Cycle Management (i.e. usage stimulation)

Enterprise (SMEs)/Large Enterprise/Government

- ◆ Direct sales force
- ◆ Marketed through Web and traditional direct selling methods
- ◆ Designed for > 150 DID accounts

Paid Subscription Drivers

Six Drivers for Paid DID Additions

- ◆ **Subscribers coming directly to the Company's Websites/Telesales**

 - Brand awareness driven by demand-generation programs and "word of mouth"

 - Search engine discovery

 - Accounts for ~ 50% monthly paid DID signups

- ◆ **Free-to-Paid subscriber upgrades**

 - Life Cycle Management

- ◆ **eFax Corporate SMB sales**

 - Hybrid Website and human interaction (i.e. Telesales)

- ◆ **Direct SME/Enterprise/Government**

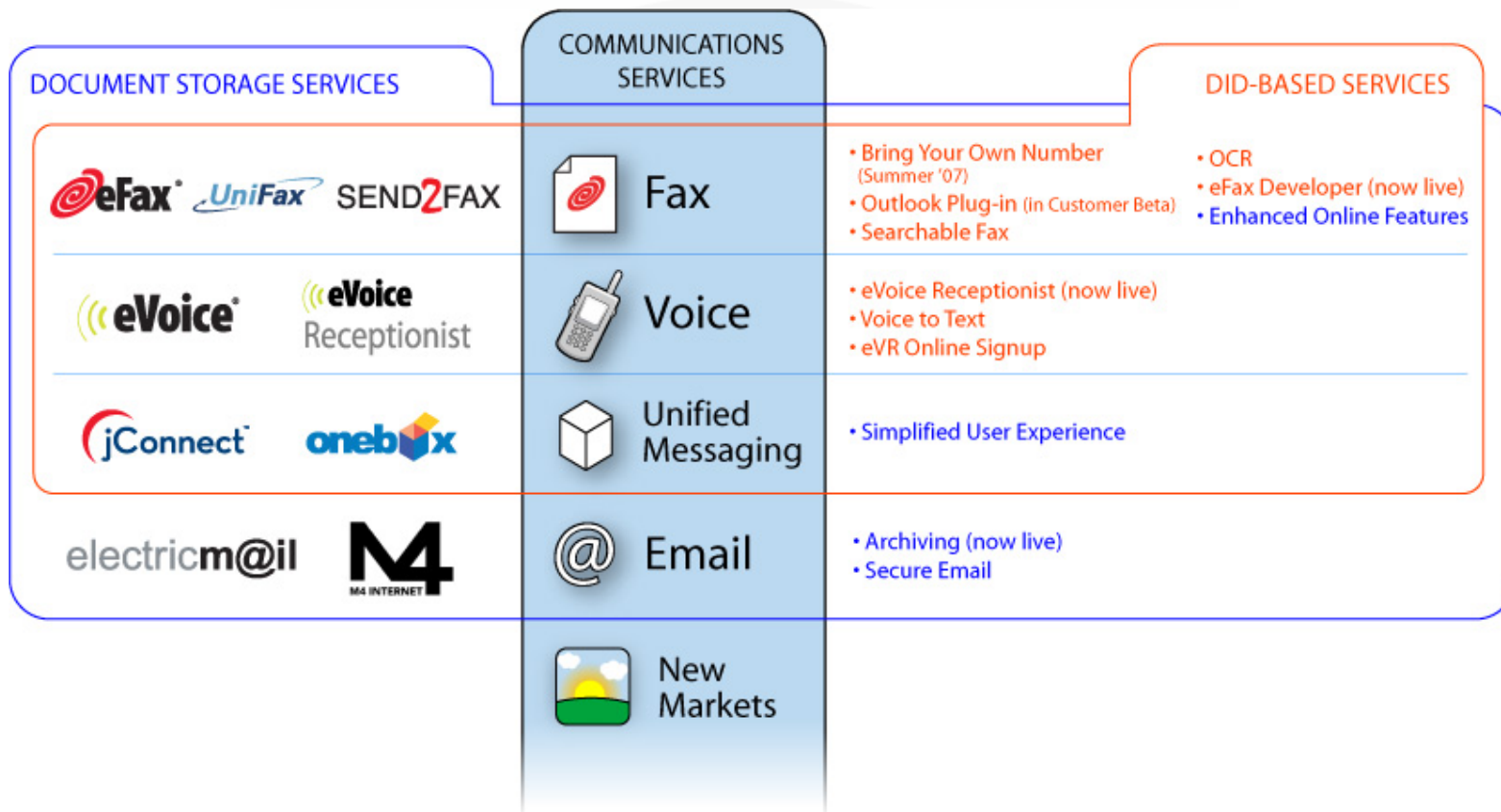
 - Through the outside Corporate Sales team

- ◆ **Direct marketing spend for paid subscribers**

 - Targeted marketing program across various media

- ◆ **International marketing programs**

Service Roadmap



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Voice Services

Voice Services Time has Come

Natural Extension of DID-based Business Services

SMB/SOHO Market (j2 sweet spot)

- ◆ Cross sell opportunities
- ◆ Product bundles

ARPU & Gross Margins Similar to Core Service Offerings

Personal Number even more Valuable than Fax (“Sticky”)

Additional Lines are a Growth Driver

Software as a Service is THE Preferred Solution for SOHO/SMB

Well Positioned to Exploit Convergence of Fax, Voice, and email

Voice Service Brands



Voice Mail Delivered via eMail

- ◆ Free and paid
- ◆ Multiple methods of retrieval



Fax, Voice and eMail

Find Me/Follow Me Features

Receptionist (Feature Rich Version of eVR)



PBX via SaaS (Virtual Phone System)

Basic Feature Set for SOHO/SMB

Receptionist Service Lines

Value Proposition

- ◆ PBX via SaaS
 - Use standard phones, no PBX hardware
 - Supports PSTN and VoIP
- ◆ Compelling ROI
 - Professional/large scale image
 - Low cost
- ◆ Location independent – Ideal for remote, virtual and mobile workforce

eVoice Receptionist - Keep it Simple

- ◆ \$29.95 (3 extensions, basic features)



Onebox Receptionist- Feature Rich

- ◆ \$49.95 (4 extensions, advanced features)
- ◆ \$79.95 (10 extensions, advanced features)



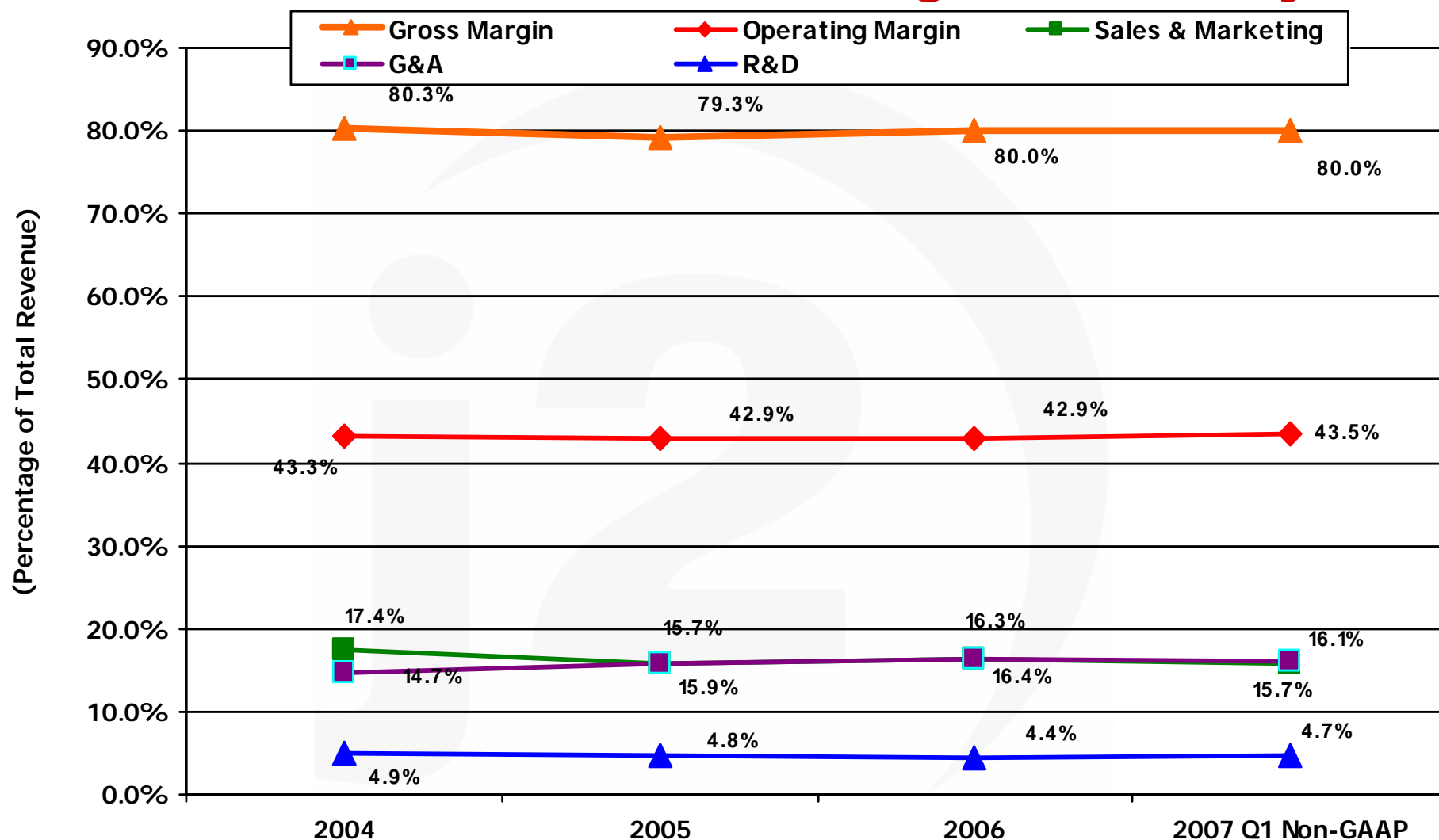
Financial Highlights

Q1 2007 Non-GAAP Financial Results

		<u>Margin</u>
Revenues	\$54.1 MM	
Gross Profit/Margin	\$43.3 MM	80.0%
Operating Profit/Margin	\$23.6 MM	43.5%
Non-GAAP EPS ⁽¹⁾	\$0.35 Per Share	

⁽¹⁾ Excludes SFAS 123(R) non-cash compensation expense, net of tax benefit, of \$0.02 per diluted share. Based on an effective annual tax rate of 30% and 50.9 million fully diluted shares outstanding.

Modified Margin Trends by Year



Operating margins for 2004 to 2006 are based on Modified earnings. 2006 and Q1 2007 excludes SFAS 123(R) non-cash compensation, net of tax benefit. See slides 20 and 21 for reconciliations to the nearest GAAP financial measure.

Financial Guidance

	<u>Q2</u> <u>2007</u>	<u>Fiscal Year</u> <u>2007</u>
Revenues (MM)	\$53.4 - \$54.8	\$217 - \$229
Non-GAAP EPS ⁽¹⁾	\$0.35 - \$0.36	\$1.35 - \$1.45

⁽¹⁾ Excludes SFAS 123(R) non-cash compensation, net of tax benefit. Assumes an effective annual tax rate of approximately 30% and 50.9 million fully diluted shares outstanding.

Supplemental Information

Revenues

	2004					2005					2006					2007
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1
Fixed Subscriber Revenues	\$16,021	\$17,750	\$19,122	\$20,823	\$73,716	\$22,773	\$23,756	\$25,229	\$26,963	\$98,721	\$28,537	\$29,855	\$32,179	\$36,013	\$126,586	\$37,765
Variable Subscriber Revenues	6,041	7,314	7,863	8,226	29,444	8,502	10,323	11,258	10,901	40,985	12,025	12,816	12,312	11,433	48,585	12,528
Subscriber Revenues	\$22,062	\$25,063	\$26,985	\$29,050	\$103,160	\$31,275	\$34,079	\$36,487	\$37,864	\$139,706	\$40,562	\$42,671	\$44,491	\$47,447	\$175,171	\$50,293
Other Revenues	880	768	786	749	3,183	949	806	1,202	1,279	4,235	1,456	1,595	1,400	1,457	5,908	3,849
Total Revenues	\$22,942	\$25,831	\$27,771	\$29,799	\$106,343	\$32,224	\$34,885	\$37,689	\$39,143	\$143,941	\$42,018	\$44,266	\$45,891	\$48,904	\$181,079	\$54,141
DID Based Revenues	\$21,664	\$24,057	\$25,994	\$27,937	\$99,652	\$30,186	\$33,009	\$34,760	\$36,063	\$134,018	\$38,718	\$40,683	\$42,832	\$45,650	\$167,882	\$48,130
Non-DID Revenues	1,278	1,774	1,777	1,862	6,691	2,038	1,876	2,929	3,080	9,923	3,300	3,583	3,059	3,254	13,197	6,011
Total Revenues	\$22,942	\$25,831	\$27,771	\$29,799	\$106,343	\$32,224	\$34,885	\$37,689	\$39,143	\$143,941	\$42,018	\$44,266	\$45,891	\$48,904	\$181,079	\$54,141
Subscriber Revenue/Total Revenues	96.2%	97.0%	97.2%	97.5%	97.0%	97.1%	97.7%	96.8%	96.7%	97.1%	96.5%	96.4%	96.9%	97.0%	96.7%	92.9%
DID Based/Total Revenues	94.4%	93.1%	93.6%	93.8%	93.7%	93.7%	94.6%	92.2%	92.1%	93.1%	92.1%	91.9%	93.3%	93.3%	92.7%	88.9%
% Fixed Subscriber Revenues	72.6%	70.8%	70.9%	71.7%	71.5%	72.8%	69.7%	69.1%	71.2%	70.7%	70.4%	70.0%	72.3%	75.9%	72.3%	75.1%
% Variable Subscriber Revenues	27.4%	29.2%	29.1%	28.3%	28.5%	27.2%	30.3%	30.9%	28.8%	29.3%	29.6%	30.0%	27.7%	24.1%	27.7%	24.9%

DIDs

Paid DIDs ^{(1) (2) (3)}	434,616	469,328	515,162	553,949		598,490	641,720	691,096	740,120		788,130	836,576	887,801	906,652		930,273
Average Monthly Revenue/DID	\$16.68	\$17.22	\$16.95	\$16.87		\$16.85	\$17.21	\$16.89	\$16.36		\$16.39	\$16.15	\$15.98	\$16.45		\$16.96
Cancel Rate ⁽⁴⁾	2.9%	2.5%	2.5%	2.7%		2.9%	2.5%	2.6%	2.4%		2.5%	2.6%	2.7%	2.9%		3.0%
Free DIDs	5,843,167	6,873,083	7,106,249	8,180,452		8,448,517	8,653,386	9,549,886	10,423,723		10,225,974	10,537,817	10,619,571	10,322,922		10,355,815
Average Monthly Revenue/DID	\$0.05	\$0.04	\$0.04	\$0.04		\$0.04	\$0.04	\$0.03	\$0.03		\$0.04	\$0.04	\$0.05	\$0.04		\$0.05
Total DID Inventory (MM)	8.6	9.5	11.3	11.9		12.7	13.6	14.2	14.6		15.2	15.2	16.2	16.4		16.9
Cities Covered	1,300	1,350	1,400	1,500		1,500	1,500	2,005	2,021		1,814	1,814	2,330	2,727		2,884
Countries Covered	20	20	20	22		23	25	26	26		29	32	35	37		40

Financials

Cash/Funds Available for Growth	(millions)	\$67.4	\$74.2	\$83.9	\$93.8		\$98.5	\$108.6	\$131.6	\$144.5		\$162.3	\$174.9	\$171.0	\$191.6		\$210.3
Free Cash Flow ⁽⁵⁾	(millions)	\$9.9	\$11.6	\$11.9	\$10.9	\$44.3	\$11.3	\$13.8	\$13.5	\$16.8	\$55.4	\$18.5	\$11.0	\$12.4	\$23.9	\$65.8	\$26.1

⁽¹⁾ For Q3 2006, the DIDs reflect net changes related to anticipated unprovisioned Corporate DIDs.

⁽²⁾ For Q4 2006, the DIDs reflect net changes related to anticipated unprovisioned Corporate DIDs and the adjustments associated with a database upgrade.

⁽³⁾ For Q3 2006, Q4 2006, and Q1 2007, the Send 2 Fax DIDs reflect a reserve for the net impact of product migration and a price increase.

⁽⁴⁾ Cancel Rate is defined as individual customer DIDs with greater than 4 months of continuous service (continuous service includes customer DIDs which are administratively cancelled and reactivated within a calendar month), and DIDs related to enterprise customers beginning with their first day of service. Calculated monthly and expressed here as an average over the three months of the quarter.

⁽⁵⁾ Free Cash Flow is net cash provided by operating activities, less purchases of property and equipment.

Computation of Free Cash Flow

(\$ in millions)

	Q1 '05	Q2 '05	Q3 '05	Q4 '05	Q1 '06	Q2 '06	Q3 '06	Q4 '06	Q1 '07
Net cash provided by operating activities	\$13.762	\$15.227	\$15.951	\$19.405	\$19.245	\$14.250	\$13.607	\$25.903	\$26.659
Purchases of property & equipment	(2.473)	(1.420)	(2.433)	(2.602)	(0.757)	(3.288)	(1.181)	(1.973)	(0.529)
Free Cash Flow ⁽¹⁾	\$11.289	\$13.807	\$13.518	\$16.803	\$18.488	\$10.962	\$12.426	\$23.930	\$26.130

⁽¹⁾ Net cash provided by operating activities, less purchases of property & equipment. Free Cash Flow amounts are not meant as a substitute for GAAP, but are solely for informational purposes.

GAAP Reconciliation

j2 GLOBAL COMMUNICATIONS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

THREE MONTHS ENDED MARCH 31, 2007			
	Reported	Non-GAAP Entries	Non-GAAP
Revenues			
Subscriber	\$ 50,293	\$ -	\$ 50,293
Other	3,848	0	3,848
Total revenues	<u>54,141</u>	<u>0</u>	<u>54,141</u>
Cost of revenues ⁽¹⁾	<u>10,990</u>	<u>(182)</u>	<u>10,808</u>
Gross profit	43,151	182	43,333
Operating expenses:			
Sales and marketing ⁽¹⁾	8,780	(278)	8,502
Research, development and engineering ⁽¹⁾	2,713	(173)	2,540
General and administrative ⁽¹⁾	9,825	(1,097)	8,728
Total operating expenses	<u>21,318</u>	<u>(1,548)</u>	<u>19,770</u>
Operating earnings	21,833	1,730	23,563
Other income and expenses:			
Interest and other income, net	1,725	0	1,725
Total other income and expenses:	<u>1,725</u>	<u>0</u>	<u>1,725</u>
Earnings before income taxes	23,558	1,730	25,288
Income tax expense ⁽²⁾	7,119	464	7,583
Net earnings	<u>\$ 16,439</u>	<u>\$ 1,266</u>	<u>\$ 17,705</u>
Basic net earnings per share	<u>\$ 0.34</u>		<u>\$ 0.36</u>
Diluted net earnings per share	<u>\$ 0.32</u>		<u>\$ 0.35</u>
Basic weighted average shares outstanding	48,822,735		48,822,735
Diluted weighted average shares outstanding	50,680,093		50,905,135

⁽¹⁾ Stock-based compensation and charges for payroll tax and employee compensation liabilities associated with inadvertent measurement date errors in prior stock option grants are as follows: Cost of revenues is \$182K, Sales and Marketing is \$278K, R&D is \$173K, and G&A is \$1,097K.

⁽²⁾ Income tax expense is adjusted for the net impact of Item 1 above.

GAAP Reconciliation

j2 GLOBAL COMMUNICATIONS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	TWELVE MONTHS ENDED DECEMBER 31, 2006			TWELVE MONTHS ENDED DECEMBER 31, 2005			TWELVE MONTHS ENDED DECEMBER 31, 2004		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
Revenues									
Subscriber	\$ 175,171	\$ -	\$ 175,171	\$ 139,706	\$ -	\$ 139,706	\$ 103,160	\$ -	\$ 103,160
Other	5,908	0	5,908	4,235	0	4,235	3,183	0	3,183
Total revenues	181,079	0	181,079	143,941	0	143,941	106,343	0	106,343
Cost of revenues ⁽¹⁾	36,723	(571)	36,152	29,844	(113)	29,731	21,018	(49)	20,969
Gross profit	144,356	571	144,927	114,097	113	114,210	85,325	49	85,374
Operating expenses:									
Sales and marketing ⁽¹⁾	30,792	(1,236)	29,556	23,025	(149)	22,876	18,591	(91)	18,500
Research, development and engineering ⁽¹⁾	8,773	(759)	8,014	7,134	(265)	6,869	5,333	(84)	5,249
General and administrative ^{(1) (2)}	38,754	(9,136)	29,618	23,464	(819)	22,645	16,049	(461)	15,588
Total operating expenses	78,319	(11,131)	67,188	53,623	(1,233)	52,390	39,973	(636)	39,337
Operating earnings	66,037	11,702	77,739	60,474	1,346	61,820	45,352	685	46,037
Other income and expenses:									
Interest and other income, net ⁽³⁾	7,195	30	7,225	13,148	(9,808)	3,340	1,183	0	1,183
Total other income and expenses:	7,195	30	7,225	13,148	(9,808)	3,340	1,183	0	1,183
Earnings before income taxes	73,232	11,732	84,964	73,622	(8,462)	65,160	46,535	685	47,220
Income tax expense ⁽⁴⁾	20,101	3,994	24,095	23,004	(3,409)	19,595	15,919	209	16,128
Net earnings	\$ 53,131	\$ 7,738	\$ 60,869	\$ 50,618	\$ (5,053)	\$ 45,565	\$ 30,616	\$ 476	\$ 31,092
Basic net earnings per share	\$ 1.08		\$ 1.24	\$ 1.05		\$ 0.94	\$ 0.66		\$ 0.67
Diluted net earnings per share	\$ 1.04		\$ 1.19	\$ 0.99		\$ 0.89	\$ 0.61		\$ 0.62
Basic weighted average shares outstanding	49,209,129		49,209,129	48,224,818		48,224,818	46,625,488		46,625,488
Diluted weighted average shares outstanding	51,048,995		51,330,932	51,171,794		51,261,185	49,828,208		49,828,208

- (1) Stock-based compensation and charges for payroll tax and employee compensation liabilities associated with inadvertent measurement date errors in prior stock option grants are as follows: 2006 Adjustments - Cost of revenues is \$571K, Sales and Marketing is \$1,236K, R&D is \$759K, and G&A is \$4,998K, 2005 Adjustments - Cost of revenues is \$113K, Sales and Marketing is \$149K, R&D is \$265K, and G&A is \$819K, 2004 Adjustments - Cost of revenues is \$49K, Sales and Marketing is \$91K, R&D is \$84K and G&A is \$461K.
- (2) 2006 G&A also includes adjustments of \$2.9M pre-tax (\$1.7M after-tax) for stock option investigation and \$1.3M pre-tax (\$0.8M after-tax) for G&A costs related to enhancement of internal controls relating to global tax structure.
- (3) 2006 Other Income and Expense includes and adjustment for \$30K related to payroll tax and employee compensation liabilities associated with stock option investigation. 2005 Other Income excludes gains from sale of investment of \$9,808K.
- (4) Income tax expense is adjusted for the net impact of items 1, 2 and 3 above.



j2 Global Reports Q1 2007 Results

Revenues Up 29% vs. Q1 2006 to \$54.1 Million, \$0.35 Non-GAAP EPS, \$0.32 EPS

LOS ANGELES—May 7, 2007—j2 Global Communications, Inc. [NASDAQ: JCOM], the provider of outsourced, value-added messaging and communications services, today reported financial results for the first quarter ended March 31, 2007.

FIRST QUARTER 2007 RESULTS

Revenues for Q1 2007 increased 29% to \$54.1 million compared to \$42.0 million for Q1 2006.

Net earnings per diluted share, excluding non-cash stock-based compensation expense net of related tax benefit ("Non-GAAP EPS"), for Q1 2007 increased 35% to \$0.35 compared to \$0.26 in Q1 2006.

Net earnings for Q1 2007 were \$16.4 million, a 34% increase compared to Q1 2006 net earnings of \$12.3 million. Net earnings per diluted share rose 33% to \$0.32 per share compared to Q1 2006 net earnings per diluted share of \$0.24.

The Company ended the quarter with approximately \$210 million in cash and investments. During Q1, the Company also repurchased 400,000 shares of its common stock for a total purchase price of \$10.2 million.

Key financial results for first quarter 2007 versus first quarter 2006 are as follows:

	Q1 2007	Q1 2006	% Increase
Revenues	\$54.1 million ⁽¹⁾	\$42.0 million	29%
Non-GAAP EPS ⁽²⁾	\$0.35	\$0.26	35%
Net Earnings ⁽²⁾	\$16.4 million	\$12.3 million	34%
Net Earnings per Share ⁽²⁾	\$0.32	\$0.24	33%

⁽¹⁾ Includes approximately \$2 million of revenue associated with patent license agreement with CallWave, Inc.

⁽²⁾ Net earnings in Q1 2007 and 2006 are based on a tax rate of approximately 30%. For the full year 2006 the tax rate was approximately 27%.

"The key drivers contributing to our Q1 revenues and earnings growth were increased usage, the continued rollout of our price change, enhanced patent license revenue from our license agreement with CallWave and international expansion," said Scott Turicchi, co-president and chief financial officer.

BUSINESS OUTLOOK

“We are pleased to report that we have spent significant resources on rolling out our new voice services – Onebox[®] and eVoice Receptionist[™],” said Hemi Zucker, co-president and chief operating officer. “Initial paid subscriber signups for these services have exceeded our expectations. As a result of this positive initial performance, we have increased our commitment of people and marketing resources to take advantage of this market opportunity.”

Q2 2007 Estimates

For the second quarter of 2007, j2 Global anticipates revenues to approximate \$53.4 million to \$54.8 million and Non-GAAP EPS to approximate \$0.35 to \$0.36. This earnings estimate assumes an effective tax rate for Q2 2007 of approximately 30% and 50.9 million diluted shares. The Company expects to incur SFAS 123(R) (expensing for stock-based compensation) expense, net of taxes, for the quarter of approximately \$0.02 per diluted share.

A summary of this Q2 2007 financial guidance is set forth in the table below:

	Q2 2007
Revenues	\$53.4 million– \$54.8 million
Non-GAAP EPS ⁽¹⁾	\$0.35– \$0.36

(1) Per share guidance is based upon a tax rate of approximately 30% and fully diluted shares of 50.9 million.

Fiscal Year 2007 Estimates

The Company reaffirms its previous revenue guidance of between \$217 million and \$229 million for fiscal 2007.

The Company also reaffirms its previous Non-GAAP EPS guidance for the year of between \$1.35 and \$1.45.

Additionally, the Company continues to expect SFAS 123(R), net of taxes, to impact annual earnings by between \$0.07 and \$ 0.09 per diluted share.

The foregoing estimates are based on a tax rate of approximately 30% and 50.9 million diluted shares.

About j2 Global Communications

Founded in 1995, j2 Global Communications, Inc. provides outsourced, value-added messaging and communications services to individuals and businesses around the world. j2 Global's network spans greater than 2,800 cities in 40 countries on five continents. The Company offers faxing and voicemail solutions, document management

solutions, Web-initiated conference calling, and unified-messaging and communications services. j2 Global markets its services principally under the brand names eFax[®], j2[®], jConnect[®], JFAX[™], eFax Corporate[®], Onebox[®], Electric Mail[®], jBlast[®], eFax Broadcast[™], eVoice[®], PaperMaster[®], Consensus[™], M4 Internet[®] and Protofax[®]. As of December 31, 2006, j2 Global had achieved 11 consecutive fiscal years of revenue growth and 5 consecutive fiscal years of positive and growing operating earnings. For more information about j2 Global, please visit www.j2global.com.

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“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995: Certain statements in this Press Release are “forward-looking statements” within the meaning of The Private Securities Litigation Act of 1995, particularly those contained in the “2007 Estimates” portion (and specifically Q2 and fiscal year 2007 estimates). These forward-looking statements are based on management’s current expectations or beliefs and are subject to numerous assumptions, risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These factors and uncertainties include, among other items: Subscriber growth and retention; protection of the Company’s proprietary technology or infringement by the Company of intellectual property of others; the risk of adverse changes in the U.S. or international regulatory environments surrounding unified messaging and telecommunications, including but not limited to the imposition of additional taxation or regulatory-related fees; and the numerous other factors set forth in j2 Global’s filings with the Securities and Exchange Commission (“SEC”). For a more detailed description of the risk factors and uncertainties affecting j2 Global, refer to the 2006 Annual Report on Form 10-K filed by j2 Global on March 12, 2007, and the other reports filed by j2 Global from time-to-time with the SEC, each of which is available at www.sec.gov. The financial estimates provided in the “Business Outlook” portion of this press release (and specifically Q2 and fiscal year 2007 estimates) are based on limited information available to the Company at this time, which is subject to change. Although management’s expectations may change after the date of this press release, the Company undertakes no obligation to revise or update these financial estimates.

j2 GLOBAL COMMUNICATIONS, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED, IN THOUSANDS)

	MARCH 31, 2007	DECEMBER 31, 2006
ASSETS		
Cash and cash equivalents	\$ 103,883	\$ 95,605
Short-term investments	103,180	83,498
Accounts receivable, net	11,755	11,989
Prepaid expenses and other	3,025	4,779
Deferred income taxes	2,643	2,643
	<hr/>	<hr/>
Total current assets	224,486	198,514
Long-term investments	3,217	12,493
Property and equipment, net	18,162	18,951
Goodwill	31,002	30,954
Other purchased intangibles, net	22,787	21,400
Deferred income taxes	5,437	5,406
Other assets	380	442
	<hr/>	<hr/>
TOTAL ASSETS	\$ 305,471	\$ 288,160
	<hr/>	<hr/>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued expenses	\$ 15,341	\$ 17,117
Income taxes payable	-	4,511
Deferred revenue	14,063	11,530
Current portion of long-term debt	18	149
	<hr/>	<hr/>
Total current liabilities	29,422	33,307
Accrued income taxes	26,265	-
Other	102	112
	<hr/>	<hr/>
Total liabilities	55,789	33,419
Total stockholders' equity	249,682	254,741
	<hr/>	<hr/>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 305,471	\$ 288,160
	<hr/>	<hr/>

j2 GLOBAL COMMUNICATIONS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED, IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31,	
	2007	2006
Revenues		
Subscriber	\$ 50,293	\$ 40,562
Other	3,848	1,456
Total revenue	54,141	42,018
Cost of revenues (including stock-based compensation of \$182 and \$109 for the three months of 2007 and 2006, respectively)	10,990	9,010
Gross profit	43,151	33,008
Operating expenses:		
Sales and marketing (including stock-based compensation of \$278 and \$265 for the three months of 2007 and 2006, respectively)	8,780	6,864
Research, development and engineering (including stock-based compensation of \$173 and \$110 for the three months of 2007 and 2006, respectively)	2,713	1,892
General and administrative (including stock-based compensation of \$1,097 and \$940 for the three months of 2007 and 2006, respectively)	9,825	7,900
Total operating expenses	21,318	16,656
Operating earnings	21,833	16,352
Interest and other income, net	1,725	1,256
Earnings before income taxes	23,558	17,608
Income tax expense	7,119	5,297
Net earnings	\$ 16,439	\$ 12,311
Basic net earnings per share	\$ 0.34	\$ 0.25
Diluted net earnings per share	\$ 0.32	\$ 0.24
Basic weighted average shares outstanding	48,822,735	49,249,778
Diluted weighted average shares outstanding	50,680,093	51,037,378

j2 GLOBAL COMMUNICATIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED, IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31,	
	2007	2006
Cash flows from operating activities:		
Net earnings	\$ 16,439	\$ 12,311
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	2,164	1,989
Stock-based compensation	1,698	1,424
Tax benefit of vested restricted stock	5	-
Tax benefit of stock option exercises	2,823	506
Excess tax benefits on stock option exercises	(2,163)	(482)
Deferred income taxes	(31)	(343)
Loss on disposal of fixed assets	104	-
Decrease (increase) in:		
Accounts receivable	257	79
Prepaid expenses and other	1,756	153
Other assets	62	(122)
(Decrease) increase in:		
Accounts payable and accrued expenses	(2,130)	(1,446)
Income taxes payable	3,157	3,880
Deferred revenue	2,528	1,183
Other	(10)	113
Net cash provided by operating activities	<u>26,659</u>	<u>19,245</u>
Cash flows from investing activities:		
Net purchases of available-for-sale investments	(21,660)	(22,479)
Net redemptions of held-to-maturity investments	11,254	19,065
Purchases of property and equipment	(529)	(757)
Acquisition of business, net of cash received	(4)	-
Purchase of intangible assets	(1,995)	(1,068)
Net cash used in investing activities	<u>(12,934)</u>	<u>(5,239)</u>
Cash flows from financing activities:		
Repurchases of common stock	(10,184)	-
Issuance of common stock under employee stock purchase plan	62	130
Exercise of stock options	2,529	183
Excess tax benefits on stock option exercises	2,163	482
Repayments of long-term debt	(132)	(170)
Net cash (used in) provided by financing activities	<u>(5,562)</u>	<u>625</u>
Effect of exchange rate changes on cash and cash equivalents	<u>115</u>	<u>(201)</u>
Net Increase in cash and cash equivalents	8,278	14,430
Cash and cash equivalents, beginning of period	<u>95,605</u>	<u>36,301</u>
Cash and cash equivalents, end of period	<u>\$ 103,883</u>	<u>\$ 50,731</u>

j2 GLOBAL COMMUNICATIONS, INC.
UNAUDITED RECONCILIATION OF MODIFIED NET EARNINGS
THREE MONTHS ENDED MARCH 31, 2007 AND 2006
(UNAUDITED, IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Modified net earnings are GAAP net earnings with the following modifications (i) elimination of stock-based compensation expense for 2007 and 2006; and (ii) elimination of income tax expense associated with stock-based compensation expense. Modified net earnings and modified net earnings per share are not meant as a substitute for measures determined under GAAP, but are solely for informational purposes. The following table illustrates and reconciles the GAAP net earnings with the aforementioned exclusions. The Company believes that this non-GAAP financial information provides a useful measure of operating performance.

	THREE MONTHS ENDED MARCH 31, 2007			THREE MONTHS ENDED MARCH 31, 2006		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
Revenues						
Subscriber	\$ 50,293	\$ -	\$ 50,293	\$ 40,562	\$ -	\$ 40,562
Other	3,848	-	3,848	1,456	-	1,456
Total revenue	54,141	-	54,141	42,018	-	42,018
Cost of revenues ⁽¹⁾	10,990	(182) ⁽¹⁾	10,808	9,010	(109) ⁽¹⁾	8,901
Gross profit	43,151	182	43,333	33,008	109	33,117
Operating expenses:						
Sales and marketing ⁽¹⁾	8,780	(278) ⁽¹⁾	8,502	6,864	(265) ⁽¹⁾	6,599
Research, development and engineering ⁽¹⁾	2,713	(173) ⁽¹⁾	2,540	1,892	(110) ⁽¹⁾	1,782
General and administrative ⁽¹⁾	9,825	(1,097) ⁽¹⁾	8,728	7,900	(940) ⁽¹⁾	6,960
Total operating expenses	21,318	(1,548)	19,770	16,656	(1,315)	15,341
Operating earnings	21,833	1,730	23,563	16,352	1,424	17,776
Other income and expenses:						
Interest and other income, net	1,725	-	1,725	1,256	-	1,256
Total other income and expenses:	1,725	-	1,725	1,256	-	1,256
Earnings before income taxes	23,558	1,730	25,288	17,608	1,424	19,032
Income tax expense ⁽²⁾	7,119	464 ⁽²⁾	7,583	5,297	345 ⁽²⁾	5,642
Net earnings	\$ 16,439	\$ 1,266	\$ 17,705	\$ 12,311	\$ 1,079	\$ 13,390
Diluted net earnings per share	\$ 0.32		\$ 0.35	\$ 0.24		\$ 0.26
Diluted weighted average shares outstanding	50,680,093		50,905,135	51,037,378		51,375,830

⁽¹⁾ Stock-based compensation and related payroll tax and employee compensation expenses

Cost of revenues	\$ (182)	\$ (109)
Sales and marketing	(278)	(265)
Research, development and engineering	(173)	(110)
General and administrative	(1,097)	(940)
	<u>\$ (1,730)</u>	<u>\$ (1,424)</u>

⁽²⁾ Income tax adjustment, net impact of the items above

	<u>464</u>	<u>345</u>
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